



Best Practice: Consistent Definition of Rate Lock Date

Background

Rate lock provisions are intended to ensure that consumers receive the rate presented at the time of application. However, **inconsistent definitions of submission dates** across carriers and order entry platforms have created challenges:

- Carriers struggle to consistently secure rate locks when applications are submitted electronically.
- Consumers may receive a rate that differs from what was originally quoted.
- Submission delays due to back-office reviews or reworks can inadvertently trigger unintended rate changes.

A consistent definition of key submission dates is essential to ensure fairness, transparency, and reliability across the industry.

Problem Statement

Without a standard definition of **Initial Submit Date** and **Final Submit Date**:

- Carriers face operational inefficiencies.
- Advisors experience uncertainty about what rate will apply.
- Consumers risk unexpected rate changes, undermining confidence in the process.

Out of Scope: Internal carrier processing rules related to rate locks remain outside the scope of this best practice.



Best Practice Recommendation

The industry should adopt a **consistent approach to capturing and transmitting rate lock dates** through enhancements to the DTCC 3301 Application Record.

1. Agent Final Submit Date

- **Definition:** The date the financial professional submits the electronic order for the final time. This may include reworks and/or edits to the original order.
- **Implementation:** Append the word “Final” to the existing record name.
- **Note:** If no rework occurs, the Agent Final Submit Date will match the Initial Submit Date.

2. Initial Submit Date

- **Definition:** The date the financial professional first submits the electronic order.
- **Implementation:** Added as a new field on the 3301 Application Record.
- **Applicability:** Mandatory on applications; optional on subsequent payments (sub pays).

Expected Benefits

- **Consistency:** Uniform date definitions across carriers and platforms.
- **Fairness:** Consumers reliably receive the rate presented at application.
- **Efficiency:** Reduced disputes and operational waste caused by inconsistent practices.
- **Transparency:** Advisors and carriers share a common understanding of rate lock timing.

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